

§ 119.3

raise matching funds or in-kind resources from non-Federal sources during the 2 years immediately prior to the date of its application because of a lack of or increased scarcity of monetary or in-kind resources from potential non-Federal sources.

Small microenterprise development organization or program means a microenterprise development organization or program with less than 10 full time employees or equivalents, including its executive director, as of the date it files its application with SBA for a PRIME grant.

Technical Assistance Grant means a grant made under the Act identified under § 119.4(a).

Training and technical assistance means services and support provided to disadvantaged entrepreneurs, such as, but not limited to, assistance intended to enhance business planning, marketing, management, financial management skills, business operations, or assistance for the purpose of increasing access to loans and other financial services.

Very low-income person means having an income adjusted for family size of not more than 150 percent of the poverty line, as defined in section 673(2) of the Community Services Block Grant Act, 42 U.S.C. 9902(2), including any revision required by that section.

§ 119.3 What types of organizations are eligible for PRIME grants?

An organization eligible for a PRIME grant (“qualified organization”) is one that is:

(a) A microenterprise development organization or program as defined in § 119.2(q) (or a group or collaborative thereof) that has a demonstrated record of delivering microenterprise services to disadvantaged microentrepreneurs;

(b) An intermediary, as defined in § 119.2(l);

(c) A microenterprise development organization or program as defined in § 119.2(q) that is accountable to a local community, working with a State or local government or Indian tribe; or

(d) An Indian tribe acting on its own, if the Indian tribe can certify that no private organization or program referred to in paragraphs (a), (b) and (c)

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of this section exists within its jurisdiction.

§ 119.4 What services or activities must PRIME grant funds be used for?

A recipient of a PRIME grant (“grantee”) must use PRIME grants to—

(a) Provide training and technical assistance to disadvantaged microentrepreneurs (“Technical Assistance Grant”);

(b) Provide training and capacity building services to microenterprise development organizations and programs to assist them to develop microenterprise training and services (“Capacity Building Grant”);

(c) Aid in researching and developing the best practices in the field of microenterprise development and technical assistance programs for disadvantaged microentrepreneurs (“Research and Development Grant”); or

(d) Conduct such other activities as the Administrator or designee determines to be consistent with the purposes of the Act (“Discretionary Grant”).

§ 119.5 How are PRIME grant awards allocated?

(a) At least 50 percent of the number of grant awards made under this part will be awarded to qualified organizations that benefit very low-income persons, including those residing on Indian reservations. In general, SBA will make grant award decisions to serve diverse populations by including as recipients both large and small microenterprise development organizations, and organizations serving urban, rural, and Indian tribal communities.

(b) SBA will allocate the funding available for awards as follows:

(1) A minimum of 75 percent for Technical Assistance Grants;

(2) A minimum of 15 percent for Capacity Building Grants; and

(3) The remaining 10 percent or less may be allocated by SBA, in its sole discretion to be used for:

(i) Research and Development Grants; or

(ii) Discretionary Grants.